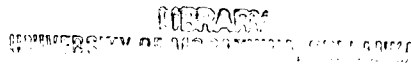


A COST BENEFIT ANALYSIS BY DEPLOYMENT OF ATM NETWORK AT BANK OF CEYLON

By

A M M NIZAM



**Master of Business Administration
in
Management of Technology**



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**Department of Management of Technology
University of Moratuwa
January 2007**

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**A dissertation submitted to the
Department of Management of Technology, University of Moratuwa
in partial fulfillment of the requirements for the
degree of Master of Business Administration
in Management of Technology**



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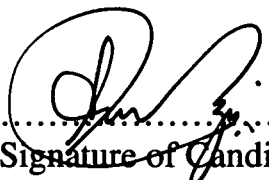
Supervised by: Dr. Ajith Pasqual

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January 2007**

Declaration

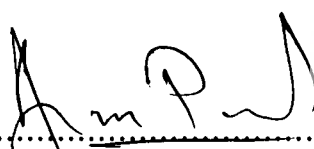
This dissertation is submitted to the Department of Management of Technology of **University of Moratuwa** for the **MASTER OF BUSINESS ADMINISTRATION IN MANAGEMENT OF TECHNOLOGY**.

This work has not previously been accepted in full or part for any degree and is not being concurrently submitted in candidature for any other degree. This dissertation is the result of my own study carried out, except where otherwise stated. All other sources are acknowledged to the best of my knowledge.


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Dated: 25.01.2007 .


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Signature of Supervisor

Name of Supervisor: Dr Ajith Pasqual



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Abstract

As the competition grows, new innovative ways have to be found in any business entity to survive. One such system for financial institutions is Automated Teller Machine (ATM) service, which is one of the most popular delivery channels for a financial services institution or a bank.

The traditional location of an ATM is being shifted and more off-premises locations are identified with hospitals, universities, and shopping malls etc. becoming mini banks. Today an ATM card can give a customer flexibility of using it for various other activities.

It is very much the need of the hour to analytically look in to the areas of performance of ATMs individually and the costs and benefits that is on offer. This indeed will be a positive point to re-engineer the ATM strategy of the bank. A review on this subject is long over due and this will enable how different aspects of ATM data or different factors influencing the productivity in the context of how to deploy them in most effective manner has been analysed.

This research is intended to review how the ATMs have created value for customers as an electronic tool and whether the bank in return got the much desired productivity enhancement. By analysing the customer's viewpoint in ATM use, the best way to provide the service to the customer desired levels has been found out in a simplified manner to market the ATM service as a delivery channel.

The costs and benefits of an ATM to the bank and the futuristic trends in ATM industry with the failures and factors of failures that hinder the operations of ATM network are discussed. The test results showed that there needs to be service level improvement in customer service and customers expect a fair amount of innovative features. Paying more attention towards most frequent failures can minimize the failure rates in the ATM.

Acknowledgement

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